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Smith Backs New Rules on Intelligence

By Mary Thornton Washington Post Staff Writer

Citing "dramatic" increases in the number of foreign spies in the United States and the threat of international terrorism, Attorney General William French Smith defended President Reagan's new intelligence guidelines yesterday, but promised that the rights of Americans will be protected.

In a speech to the Los Angeles World Affairs Council, released in Washington, Smith said that in the last 10 years the number of foreign spies in the United States, posing as diplomats, students, scientists, reporters or businessmen, has "increased sharply."

He also said many spies may have infiltrated the United States as immigrants and refugees, including some of the 150,000 immigrants who have come from the Soviet Union since 1973 and a "small but significant fraction" of the recent influx of 100,000 Cuban refugees.

"At one time, the FBI could match suspected hostile intelligence agents in the United States on a one-to-one basis," Smith said, "Now, the number of hostile agents has grown so much that our FBI counterintelligence agents are greatly outnumbered."

Smith said the "most serious [threat] of all" is the growth of international terrorism.

"As all of you know from press reports, the threat is real today," Smith said. "Libya's capability of sponsoring an effort to assassinate high U.S. government officials provides a sobering example.

"As members of an open-society that is the target of aggressive foreign powers, we must all recognize the grave threat from hostile intelligence and the need for more effective U.S. intelligence and counterintelligence. But we must do more than merely recognize such paramount concerns," he-said.

The new guidelines, included in an executive order signed earlier this month by Reagan, ease many of the restrictions imposed on U.S. intelligence agencies in the mid-1970s following disclosure of a number of abuses by the agencies.

Smith acknowledged there were abuses by intelligence agencies, including plots to assassinate foreign leaders, unethical testing of drugs on Americans disruption and infiltra-

mail opening and electronic surveillance in the United States

But he said the order contains safeguards to make sure the rights of Americans are not violated. Those include a strict distinction between foreign intelligence and domestic security matters as well as enforcement of the constitutional protections against illegal searches and electronic surveillance.

"Our goal has been to improve the effectiveness of U.S. intelligence agencies without endangering the rights of Americans," Smith said.

He said the new order does authorize the CIA to collect foreign intelligence and conduct counterintelligence operations in the United States, but only in coordination with the FBI

The order also allows physical surveillance of Americans abroad if it is believed they

possess foreign intelligence information. Under President Carter's guidelines, the intelligence agency had to meet strict standards before physical surveillance could be conducted.

A senior Justice Department official said yesterday that the requirement was eased because physical surveillance, including such tactics as shadowing and long distance photography, is an accepted practice for many other law enforcement agencies. "Any policeman in the U.S. can do it," he said.

The official also said that much of the Reagan guidelines will be classified and not made public.

Former CIA director Stansfield Turner has criticized the new order, saying it poses too many risks of unwarranted "intrusion into the lives of Americans" and of animosity between the FBI and CIA.

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